

Well Name: MCKENZIE	Well Location: T30N / R12W / SEC 20 / NWNW / 36.803619 / -108.125824	County or Parish/State: SAN JUAN / NM
Well Number: 1E	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM024158	Unit or CA Name:	Unit or CA Number:
US Well Number: 300452360900S1	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2865406

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 07/28/2025	Time Sundry Submitted: 08:08
Date proposed operation will begin: 08/11/2025	

Procedure Description: Dugan Production plans to plug and abandon the well per the attached procedure.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- McKenzie_1E_Rec_Plan_7_17_25_20250728075217.pdf
- McKenzie_1E_proposed_PA_formation_tops_20250728075146.pdf
- McKenzie_1E_proposed_PA_planned_wellbore_schematic_20250728075130.pdf
- McKenzie_1E_proposed_PA_current_wellbore_schematic_20250728075114.pdf
- McKenzie_1E_proposed_PA_planned_work_20250728075100.pdf

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Operator: DUGAN PRODUCTION
CORPORATION

Conditions of Approval

Additional

General_Requirement_PxA_20250731105024.pdf

2865406_NOI_PnA_McKenzie_1E_3004523609_MHK_07.31.2025_20250731105014.pdf

McKenzie_1E_Geo_Rpt_20250731090638.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: TYRA FEIL

Signed on: JUL 28, 2025 07:50 AM

Name: DUGAN PRODUCTION CORPORATION

Title: Authorized Representative

Street Address: PO BOX 420

City: FARMINGTON

State: NM

Phone: (505) 325-1821

Email address: TYRAFEIL@DUGANPRODUCTION.COM

Field

Representative Name: Aliph Reena

Street Address: PO Box 420

City: Farmington

State: NM

Zip: 87499-0420

Phone: (505)360-9192

Email address: Aliph.Reena@duganproduction.com

BLM Point of Contact

BLM POC Name: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved

Disposition Date: 07/31/2025

Signature: Matthew Kade

Dugan Production plans to plug and abandon the well per the following procedure:

- PU & tally 2-3/8" workstring. Run 4½" casing scraper to 6500'. **RIH & set 4½" CIBP @ 6476'.** Dakota perforations are from 6526'-6574'.
- Run CBL from 6476' to surface. All plugs are designed assuming good cement behind 4½" casing for this NOI. Will make necessary changes to the plugs after reviewing the CBL.
- Attempt to pressure test casing to 650 psi for 30 minutes.
- **Plug I, Dakota Perforations-Dakota-Graneros:** Spot Plug I inside 4½" casing above the CIBP from 6476' to 6300' w/14 sks, 16.1 cu ft Class G neat cement to cover the Dakota perforations, Dakota and Graneros top. **Plug I, Inside 4½" casing, 14 sks, 16.1 cu ft, Dakota Perforations-Dakota top-Graneros, 6300'-6476'.**
- **Plug II, Gallup:** Spot Plug II inside 4½" casing from 5642' to 5492' w/12 sks (13.8 cu ft) Class G cement to cover the Gallup top. **Plug II, Inside 4½" casing, 12 sks, 13.8 cu ft, Gallup, 5492'-5642'.**
- **Plug III, Mancos-DV:** Spot Plug III inside 4½" casing from 5240' to 4569' w/54 sks (62.1 cu ft) Class G cement to cover the DV tool & Mancos top. **Plug III, Inside 4½" casing, 54 sks, 62.1 cu ft, Mancos-DV, 4569'-5204'.**
- **Plug IV, Mesaverde:** Spot Plug IV inside 4½" casing from 3633' to 3483' w/12 sks, 13.8 cu ft Class G neat cement to cover the Mesaverde top. **Plug IV, Inside 4½" casing, 12 sks, 13.8 cu ft, Mesaverde, 3483'-3633'.**
- **Plug V, Chacra Upper-Chacra Lower:** Spot Plug V inside 4½" casing from 3036' to 2524' w/40 sks, 46 cu ft Class G cement to cover the Upper Chacra & Lower Chacra tops. **Plug V, Inside 4½" casing, 40 sks, 46 cu ft, Upper Chacra-Lower Chacra, 2524'-3036'.**
- **Plug VI, Pictured Cliffs:** Spot Plug VI inside 4½" casing from 1971' to 1821' w/12 sks, 13.8 cu ft Class G cement to cover the Pictured Cliffs top. **Plug VI, Inside 4½" casing, 12 sks, 13.8 cu ft, Pictured Cliff, 1821'-1971'.**
- **Plug VII, Fruitland-Kirtland-Ojo Alamo:** Spot Plug VII inside 4½" casing from 1398' to 842' w/46 sks, 52.1 cu ft to cover the Fruitland-Kirtland-Ojo Alamo tops. **Plug VII, Inside 4½" casing, 46 sks, 52.1 cu ft, Fruitland-Kirtland-Ojo Alamo, 842'-1398'.**
- **Plug VIII: Surface Casing-Surface:** Spot Plug VIII inside 4½" casing from 570' to surface w/46 sks, 52.1 cu ft to cover the Surface Casing shoe to surface. **Plug VIII, Inside 4½", 46 sks, 52.1 cu ft to cover the Surface Casing-Surface, 0-570.**
- Cut wellhead. Tag TOC at surface. Fill cement incase needed.
- Install dry hole marker. Clean location.

McKenzie#1E

30-045-23609

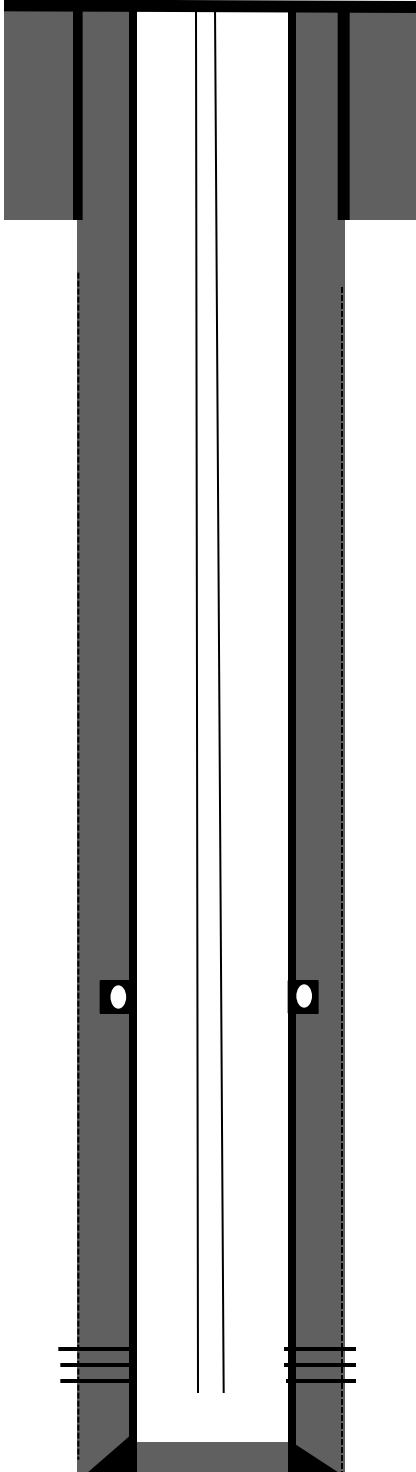
Basin Dakota(Prorated Gas)

800' FNL & 960' FWL

D-S20-T30N-R12W

San Juan County , NM

Lat: 36.8036766 Long: -108.1264954



Spud Hole 12 ¼" Casing 9 5/8" 47# @520'

Cemented w/ 225 sks Class B neat w/ ¼#/sk celloflake +2% CaCl
Cement circulated.

4 ½" 10.5# casing @6620. Hole 7 3/4"

1st stage: 200 sks Class B 8% gel + 125 sx class B all w/ ¼# gel flake/sk. (Total slurry 520 cu ft). Stage tool @ 4669'. 2nd stage w/ 400 sks 65-35 +12% gel, 50 sks 8% gel and 50 sks class B neat, all with ¼# gel flake/sk. (Total slurry 1200 cu ft). TOTAL 775 sks

2-3/8", J-55 tubing ran to 6560'

Dakota perforations are from 6526'-6574'

4 ½" 10.5 # casing @ 6620', Hole size 7-3/4"

McKenzie#1E

30-045-23609

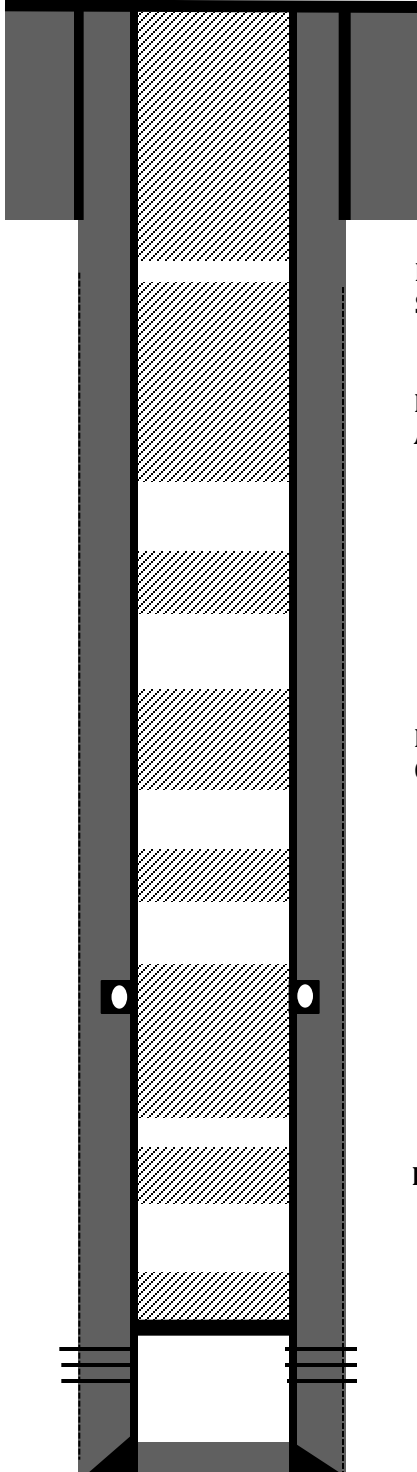
Basin Dakota(Prorated Gas)

800' FNL & 960' FWL

D-S20-T30N-R12W

San Juan County , NM

Lat: 36.8036766 Long: -108.1264954

**Spud Hole 12 1/4" Casing 9 5/8" 47# @520'**Cemented w/ 225 sks Class B neat w/ 1/4#/sk celloflake +2% CaCl
Cement circulated.**Plug VIII, Inside 4 1/2", 46 sks, 52.1 Cu.ft to cover the Surface Casing-Surface, 0-570****Plug VII, Inside 4 1/2" casing, 46 sks, 52.1 Cu.ft, Fruitland-Kirtland-Ojo Alamo, 842-1398'****Plug VI, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Pictured Cliff, 1821'-1971'****Plug V, Inside 4 1/2" casing, 40 sks, 46 Cu.ft, Upper Chacra-Lower Chacra, 2524'-3036'****Plug IV, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Mesaverde, 3483'-3633'****Plug III, Inside 4 1/2" casing, 54 sks, 62.1 Cu.ft, Mancos-DV, 4569'-5204'****4 1/2" 10.5# casing @6620. Hole 7 3/4"**

1st stage: 200 sks Class B 8% gel + 125 sx class B all w/ 1/4# gel flake/sk. (Total slurry 520 cu ft). Stage tool @ 4669'. 2nd stage w/ 400 sks 65-35 +12% gel, 50 sks 8% gel and 50 sks class B neat, all with 1/4# gel flake/sk. (Total slurry 1200 cu ft). TOTAL 775 sks

Plug II, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Gallup, 5492'-5642'**CIBP at 6476'. Plug I, Inside 4 1/2" casing, 14 sks, 16.1 Cu.ft, Dakota Perforations-Dakota top-Graneros, 6300'-6476'.****Dakota perforations are from 6526'-6574'****4 1/2" 10.5 # casing @ 6620', Hole size 7-3/4"**

McKenzie#1E
30-045-23609
Basin Dakota(Prorated Gas)
800' FNL & 960' FWL
D-S20-T30N-R12W
San Juan County , NM
Lat: 36.8036766 Long: -108.1264954

Elevation ASL : 5792' GL

Formation Tops

- **Surface Casing – 520'**
- **Ojo Alamo – 942'**
- **Kirtland – 1048'**
- **Fruitland – 1348'**
- **Pictured Cliffs – 1921'**
- **Lewis – 2103'**
- **Chacra Upper– 2624'**
- **Chacra Lower – 2986'**
- **Mesaverde – 3583'**
- **DV tool – 4669'**
- **Mancos – 5190'**
- **Gallup – 5592'**
- **Greenhorn – 6342'**
- **Graneros – 6400**
- **Dakota – 6525'**
- **Dakota perforations – 6526'-6574'**

BLM - FFO - Geologic Report**Date Completed**

7/31/2025

Well No. McKenzie 1E
Lease No. NMNM024158

Surf. Loc. 800
Sec

FNL 960
20 T30N
FWL R12W

US Well No. 3004523609

Operator Dugan Production Corp.

County San Juan

State

New Mexico

TVD 6627

PBTD 6590

Formation Dakota

Elevation GL

5792

Elevation Est. KB 5804

Geologic Formations**Est. tops Subsea Elev.****Remarks**

Nacimiento Fm.	Surface	0	Surface /fresh water sands
Ojo Alamo Ss	860	4944	Fresh water aquifer
Surface Casing	520	5284	Fresh water aquifer
Kirtland Fm.	1048	4756	
Fruitland Fm.	1348	4456	Coal/gas/possible water
Pictured Cliffs	1921	3883	Possible gas/water
Lewis Shale	2103	3701	Source rock
Huerfano Bentonite	2680	3124	Reference bed
Chacra (Upper)	2624	3180	Possible gas/water
Chacra (Lower)	2986	2818	Possible gas/water
Cliff House Ss	3520	2284	Possible gas/water
Menefee Fm.	3650	2154	Coal/water/possible gas
Point Lookout Fm.	4320	1484	Possible gas/water
DV Tool	4669	1135	
Mancos Shale	4710	1094	Source rock
Gallup	5592	212	Oil & gas
Juana Lopez	6020	-216	
Bridge Crk/Greenhorn	6342	-538	
Graneros Shale	6400	-596	
Dakota Ss	6525	-721	Possible gas/water

Remarks:**Reference Well:**

-Vertical wellbore, all formation depths are TVD from KB at the wellhead.

-The Dakota CIBP depth in the Planned P&A schematic, listed at 5603', is incorrect. It is listed elsewhere at 6476', which appears correct.

- Plug 3 may be modified: the BOC may be raised to 4760' to cover the BLM geologists pick for the Mancos.

-Modify Plug 4: Move the TOC to 3420' to account for the BLM geologist's pick for the Cliff House.

-Modify Plug 7: Move the TOC to 760' to account for the BLM Geologist's pick for the Ojo Alamo.

Dugan Production Corp.

Same

Prepared by: Walter Gage

**GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON FIELD OFFICE**

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured. (densometer/scales)

3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.

3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.

4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

4.1 The cement shall be as specified in the approved plugging plan.

4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.3 Surface plugs may be no less than 50' in length.

4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.

4.6 **A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.**

5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

- 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.
- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
- 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. **If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.**

6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.

- 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
- 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.

7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H₂S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), through the Automated Fluid Minerals Support System (AFMSS) with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.

9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d) and 43 CFR 3172.12(a)(10). Unless otherwise approved.

10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington District Office
6251 College Boulevard, Suite A
Farmington, New Mexico 87402
<http://www.blm.gov/nm>



CONDITIONS OF APPROVAL

July 25, 2025

Notice of Intent - Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMNM13956
Well(s): Kinbeto RG Federal 1, API # 30-045-25087
Location: NWNE Sec 8 T23N R10W (San Juan County, NM)
Sundry Notice ID#: 2863498

The Notice of Intent to Plug and Abandon is accepted with the following Conditions of Approval (COA):

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. **The following modifications to your plugging program are made:**
 - a. Correct Plug 1 (Dakota/Graneros) CIBP depth on Planned P&A schematic to 6476'. Schematic currently has CIBP at 5603' but bottom of plug is 6476'.
 - b. May adjust Plug 3 (Mancos/DV) BOC to 4760' to cover BLM Geologist's Mancos formation top pick @ 4710'. Plug 3 should at a minimum cover 4569' – 4760', estimated minimum 15 sx Class G.
 - c. Adjust Plug 4 (Mesaverde) TOC to 3420' cover BLM Geologist's Cliffhouse formation top pick @ 3520'. Plug 4 should at a minimum cover 3420' – 3570', estimated minimum 12 sx Class G.
 - d. Adjust Plug 7 (Fruitland/Kirtland/Ojo) TOC to 760' to cover BLM Geologist's Ojo Alamo formation top pick @ 860'. Plug 7 should cover at a minimum 760' – 1398', estimated minimum 50 sx Class G.
3. **Notification:** Farmington Field Office is to be notified at least 24 hours before the plugging operations commence at (505) 564-7750.
4. **Deadline of Completion of Operations:** Complete the plugging operation before July 31, 2026. If unable to meet the deadline, notify the Bureau of Land Management's Farmington Field Office prior to the deadline via Sundry Notice (Form 3160-5) Notice of Intent detailing the reason for the delay and the date the well is to be plugged.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements. Any estimated minimum sacks provided in procedure modification include necessary excesses.

Office Hours: 7:45 a.m. to 4:30 p.m.

Matthew Kade (mkade@blm.gov/505-564-7736) / Kenny Rennick (krennick@blm.gov/505-564-7742)

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 490893

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 490893
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.	8/1/2025
loren.diede	A Cement Bond Log (CBL) is required to be submitted to electronic permitting.	8/1/2025
loren.diede	Submit photo and GPS coordinates of P&A marker with final reports. API# should be legible in marker photo.	8/1/2025